

MINUTES OF THE  
AD HOC COMMITTEE FOR PERSONNEL POLICIES AND PROCEDURES  
MEETING HELD  
WEDNESDAY, NOVEMBER 17, 2010 – 1:30 P.M.

Present:	<u>Committee Members</u>	Michele Bush (via telephone) John Casey Thomas Hoffman Fred Montgomery
	<u>Board Member</u>	Devon Bruce
	<u>Staff</u>	William Atwood Linsey Schoemehl Katherine Spinato

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## *ROLL CALL*

Chairman Montgomery called the meeting to order at 1:35 p.m. The Secretary called the roll and noted that a quorum was present.

## *ELECTION OF CHAIRMAN*

Mr. Casey moved to nominate Fred Montgomery as Chairman of the Ad Hoc Committee on Personnel Policy and Procedures. Judge Hoffman seconded and the motion passed unanimously. There being no further nominations Mr. Montgomery assumed the Chair.

## *MINUTES OF PREVIOUS MEETING*

Mr. Casey moved to approve the minutes of the Ad Hoc Committee meeting held November 1, 2010, in the form submitted. Judge Hoffman seconded and the motion passed unanimously.

## *REPORT OF DIRECTOR*

### Consideration of Changes to Terms of Employment for Non-Code Employees

Director Atwood referred the Committee to the "Possible Changes to Terms of Employment for Non-Code Employees at Illinois State Board of Investment (ISBI)" report. (Official minutes contain attachment.) It was the consensus of the Committee to review each item of the report.

Judge Hoffman initiated discussion regarding whether ISBI has authority to reduce benefits to its employees and referred to a memorandum "Employee Benefits" dated November 4, 2010. (Official minutes contain attachment.)

Following detailed and lengthy discussion regarding Compensatory Time and the requirement for professional staff keeping time sheets, the Committee Members concurred to recommend the following to the Board:

Compensatory Time. The policy for keeping timesheets with a minimum requirement of 37.5 hours of work per week should allow more flexibility around the statutorily required accounting of time, e.g. by pay period. The policy for allowing non-code employees to accrue compensatory time and use it as vacation or personal time is discontinued December 31, 2010.

Detailed and lengthy discussion regarding Vacation Time was held. Following the discussion, Mr. Casey moved to recommend to the Board amending the Non-Code Vacation Schedule as shown below. Judge Hoffman seconded and the motion passed unanimously.

Vacation Time. The existing Vacation Policy will remain in effect for existing employees. For any new non-code employees employed after December 31, 2010, the vacation schedule contained in the Personnel Code is effective.

Discussion on Vacation Accrual ensued. Following detailed discussion, Ms. Bush moved to recommend to the Board the following.

Vacation Accrual. Consistent with the State Personnel Code, except for the Executive Director, non-code employees are allowed to accrue up to two years of earned vacation time. Beyond that amount, employees lose whatever vacation time that they do not use. Effective December 31, 2010, the allowed vacation accrual for the Executive Director cannot exceed the level of accrual at December 31, 2010.

Judge Hoffman seconded and the motion passed unanimously.

Lengthy discussion ensued pertaining to the State Employees' Retirement System employee contribution of 4%. Director Atwood stated that the Board began paying the 4% SERS employee contribution effective January 1, 1991. ISBI also makes the employer contributions as required by State law.

Judge Hoffman moved and Ms. Bush seconded the following recommendation to the Board:

Employee Contributions to SERS. The Board currently pays the 4% employee contributions for all ISBI employees (code and non-code). This practice will remain in effect for all existing employees and is discontinued for all new personnel employed after November 17, 2010.

Discussion ensued and Chairman Montgomery recommended amending the SERS retirement pick up policy to discontinue for non-code personnel with a 4% salary increase effective January 1, 2011, retain for code personnel, and discontinue the policy for any new personnel employed after December 31, 2010.

Following further discussion, Judge Hoffman moved to call for the vote. The Secretary called the roll. The motion passed with Judge Hoffman, Ms. Bush and Mr. Casey voting aye and Mr. Montgomery opposed.

The Committee Members unanimously approved recommending the following:

Payroll/Staff Freeze. Until further action by the Board, all salaries and compensation will be capped at current levels and no new hires or staff replacements will be allowed without prior Board approval.

Furlough Days. The ISBI will not require staff to take furlough days as is required for most State employees.

Further, it was the consensus of the Committee to instruct Director Atwood and staff to compile a revised employee directives manual with current policies for the March, 2011 meeting.

*UNFINISHED BUSINESS*

None.

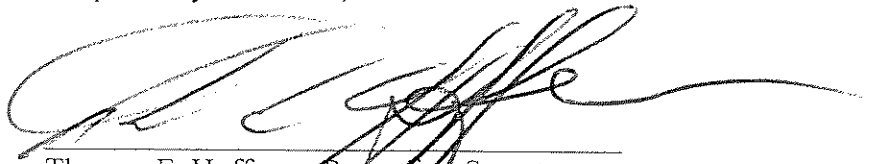
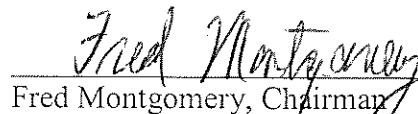
*NEW BUSINESS*

None.

*NEXT MEETING AND ADJOURNMENT*

At 3:05 p.m., there being no further business to come before the Committee, Judge Hoffman moved to adjourn. Mr. Casey seconded and the motion passed unanimously.

Respectfully submitted,

  
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Thomas E. Hoffman, Recording Secretary  
Illinois State Board of Investment  
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Fred Montgomery, Chairman  
Ad Hoc Committee on Personnel Policies and Procedures